

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

To: Chief Procurement Officer

From: Department of Human Services/Benefit, Employment and Support Services Division
Department/Division/Agency

4 SEP 15 P1:35

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Title and description of health and human service(s):

General Information: To enter into individual agreements with any number of employers for an indefinite period of time to hire welfare recipients as employees and provide training and work experience. The individual employer will receive from the Department of Human Services (DHS), a predetermined monetary amount to offset wages paid to the welfare recipient. There are no specifications on the type of employment nor any limit to the number of employers who may participate, the business only has to be licensed to operate in Hawaii.

Specific Information: The DHS has two programs that provide a monetary incentive payment to employers to hire welfare recipients. The first program is called Grant + and was implemented in July 1999. Under this program the welfare recipient agrees to a financial assistance payment not to exceed \$650 per month that is paid to the employer to offset wages paid to the recipient/employee. The recipient may participate for a period of twelve months with the possibility of one six month extension. The recipient may be eligible for supportive service payments to cover the cost of employment, but is not eligible for a monthly welfare payment to cover basic needs. Grant + employers must enter into a written agreement with the DHS to receive the wage reimbursement amount up to \$650 per month. Any employer in the state may be selected to participate in Grant +. The second program is Supporting Employment Empowerment (SEE) and the planned implementation date is October 2004. Under this program an employer will receive an incentive payment that is equal to the prevailing state or federal minimum wage, whichever is higher, for the number of hours that a recipient/employee actually worked. The employer will also receive an additional subsidy payment that is equal to fourteen percent of the payment provided based on the recipient/employee's hours of employment. The additional subsidy payment is intended to reimburse the employer for costs associated with unemployment insurance (UI), worker's compensation (WC), and federal insurance contributions act (FICA) taxes paid in behalf of the recipient/employees. The recipient may participate in SEE for a period of six months with two possible three month extensions for cause. Recipients will still be eligible for a monthly assistance payment to cover basic needs and supportive service payments to cover the costs associated with employment. SEE employers will enter into a written agreement with the DHS to receive a SEE subsidy. any employer in the state may be selected to participate in SEE.

Provider Name: Any employer	Total Contract Funds: <i>n/a</i>	Term of Contract: From: To: <i>9/30/06</i>
Provider Address: <i>n/a</i>	Contract Funds per Year (as applicable). <i>n/a</i>	<i>Varies</i> DATE OF APPROVAL <i>16</i>

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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

The DHS solicits employment slots with all employers in the state on a continuous basis. The department does not believe it would be practicable to procure employers by competitive means because the number of slots needed to place qualified recipients is unknown throughout the year and is always changing. The DHS requires flexibility to find employers on an as needed basis who match a particular recipient's skills and needs at that particular time. The DHS enters into a separate agreement with each employer who agrees to participate in Grant + or Supporting Employment Empowerment. The employer's and the department's responsibilities are provided in the written agreement and the employer is informed that the payment received by the employer from the department to reimburse the employer's cost for wages for a recipient/employee are taxable income to the employer.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

For the Grant + program, Job Developers on contract from the Department of Labor and Industrial Relations (DLIR) solicit employers who may be interested in filling vacant positions with qualified welfare recipients. DHS case managers then have the responsibility to match welfare recipients to selected employers with vacancies. For the Supporting Employment Empowerment (SEE) program, the DHS will contract with a single entity to solicit employers and to match welfare recipients to selected employers with vacancies.

A description of the state agency's internal controls and approval requirements for the exempted procurement:

For the Grant + program, the DHS conducts periodic management evaluations to ensure that program policy and procedures are being adhered to. For the SEE program, the DHS has program specialists that monitor contract compliance.

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Pat Murakami - BESSD Administrator
Garry Kemp - Assistant BESSD Administrator
Pankaj Bhanot - Employment and Child Care Program Administrator
Kris Foster - Financial Assistance Program Administrator

Direct questions to (name & position):	Phone number:	e-mail address:
Linda A. Tsark - Program Specialist	586-5733	ltsark@dhs.hawaii.gov

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☒ No ☐

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I certify that the information provided above is to the best of my knowledge, true and correct.


Department Head Signature

Date

Typed Name

Position Title

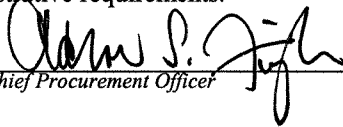
Chief Procurement Officer's Comments:

Approval is from date of approval until September 30, 2006.

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied


Chief Procurement Officer

9/22/04
Date

cc: Administrator
State Procurement Office